

CORPORATE REPORT TO THE COMMUNITY

FISCAL YEAR ENDING DECEMBER 31, 2003, AND BUDGET YEAR 2004



*Success is achieved by
preparing for challenges,
looking for new
opportunities and
staying focused
on our goals.*

MOVING FORWARD WITH WINNING STRATEGIES CITY PLANS FOR A SUCCESSFUL COMMUNITY

By Mayor Gene Winstead

IN THE WORDS OF BENJAMIN FRANKLIN, "Life is a kind of chess." We make decisive moves, experience setbacks, face challenges and achieve success. Chess principles also apply when planning for our community's future.

Foresight allows us to consider the advantages of our situation. Ensuring that Bloomington continues to thrive means envisioning where we want our community to be 10, 20 or 30 years from now and planning our course of action today. During the last 10 years the City has been investing in our community's future by improving services, upgrading infrastructure and increasing our financial strength. Renewal efforts sometimes impact residents and businesses, but continued decline is to no one's benefit. The Council knows the critical importance of renewing the community for the long term and has set aside five top redevelopment priorities. See pages CR6 and CR7.

Reaching our goal requires caution. For years the City Council has adopted resilient budgets in preparation for a downturn by maintaining staff and programs at lean levels and not adding services without identified resources.

Success depends on how well prepared we are for challenges. In 2003, the City experienced one of the most difficult years in more than a decade. A \$4.5 billion state budget deficit projected through 2005 affected aid to cities. Bloomington lost \$2 million in Market Value Credit and Local Government Aid payments for 2003 and will have another \$2 million loss in 2004.

Since the 1990s, the City has been preparing for an eventual downturn in the economy. Devised to gain Moody's top Aaa bond rating in 1998, downturn strategies were developed that the City began to employ in 2002 and used even more in 2003.

To meet the challenges of the 2004 budget, one of the downturn strategies used was the Strategic Priorities levy. In good economic times the levy provides a means to fund the Council's priorities, including community renewal and park improvements. Strategic priorities monies earmarked in stronger economic periods are available for use in less robust times.

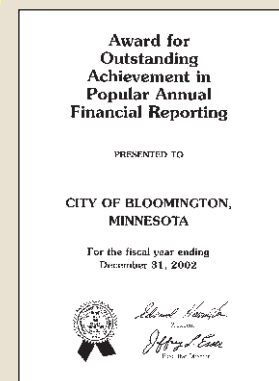
Further, the General Fund budget was decreased by \$880,000. In August 2003, the City Council and staff met in

priority-setting sessions to determine how to make up the \$2 million loss of state aid and other economically sensitive revenue. Results included utilizing the property tax levy, reducing expenditures by \$1.7 million and the one-time use of reserves that were set aside in better economic times. The result was a levy increase of 5.75 percent, \$1.8 million below the state-imposed levy limit.

Staying focused is the key to positive results. Franklin said that we learn from chess not to be discouraged by the present state of affairs because the game is so full of events. By staying focused on our goals and moving forward with winning strategies for the future, we will achieve success for our community. Bloomington's financial condition is among the best in the state and the nation. See page CR4. With this advantage, we are able to continue to provide services that meet our residents' needs, look for additional opportunities that enhance our city and skillfully execute its renewal.

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CITY WINS FINANCIAL AWARDS

THE GOVERNMENT Finance Officers Association (GFOA) of the United States and Canada has given the City of Bloomington the *Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended December 31, 2002*. This prestigious national award recognizes the City's conformance with the highest standards for preparation of state and local government popular reports. The City of Bloomington has received the *Popular Award* for the last five years, the *Distinguished Budget Award* for the last seven years and the *Certificate of Excellence in Government Reporting* for the past 31 years.



REPORT NETS COMMUNICATIONS AWARD

THE CITY'S CORPORATE REPORT TO THE COMMUNITY RECEIVED national attention in 2003.

Bloomington's 2002 Corporate Report was awarded an *Award of Excellence* (third place) from the City-County Communications and Marketing Association (3CMA).

"The information was easy to read. We liked the tie to dollars spent; cost-effective," noted the judges. "Captures growth and history very well. Readable, affordable!" 3CMA's annual awards salute skilled and effective city and county communication efforts on a national level.



The examples of monthly expenses for City services described in this report use a median-priced home in Bloomington which has a 2003 assessor's market value of \$195,800, with monthly property taxes for City services of \$49.38.